

**481—103.6(99B) Prizes.** Cash or merchandise prizes awarded for each game shall not exceed \$100 in value. Jackpot games are excepted and are governed by standards in subrule 103.6(6). The amount of the prize shall be announced before the beginning of each game.

**103.6(1)** Prizes shall be recorded each occasion on the daily bingo summary (see Table A<sup>1</sup>) as they are paid by listing the number of the game; the pattern required to win; the type, color, and series of cards used in the game; and the amount of the prize. The name, address, and social security number of each jackpot winner is required.

NOTE: Prizes of more than \$600 require the deduction of 5 percent withholding taxes, plus any applicable local option or school taxes, for the state of Iowa. See 103.6(6), paragraph “g.”

**103.6(2)** A ticket, coupon, or card shall not be used as a door prize or given to a participant of a raffle, game of bingo, or game of chance if the use of the ticket, coupon, or card would change the odds of winning for participants of the raffle, game of bingo, or game of chance.

**103.6(3)** Prizes awarded in games with more than one winner shall be shared equally. It is permissible to round to the nearest dollar.

**103.6(4)** Merchandise such as scholarships, airline tickets and other similar items awarded as prizes shall not be converted to cash by the donor or provider. Winning lottery tickets or shares awarded as prizes may be converted to cash pursuant to lottery rules and statutes. An animal shall not be awarded as a prize for persons participating in a game or fair event.

**103.6(5)** A player shall not be required to return cash or a merchandise prize won in one game in order to play a subsequent game. Players shall not be required to play in one game in order to play in a subsequent game.

**103.6(6)** No more than two jackpot games may be played during a 24-hour period as follows:

- a. An organization is limited to two jackpot games.
- b. The jackpot starting prize shall not exceed \$300 in cash or actual retail value of merchandise.
- c. The jackpot prize shall not increase more than \$200 after each jackpot game. The maximum prize shall not be greater than \$1,000 for the first jackpot game and shall not be greater than \$2,500 for the second jackpot game.
- d. The jackpot prize shall not decrease until it is won.
- e. If a jackpot is not won in the specified number of calls, the game reverts to a regular game with a prize of \$100 or less.
- f. Each jackpot game shall begin again at no more than \$300.
- g. Cash prizes over \$600 require the deduction of 5 percent withholding tax, plus any applicable local option or school tax. This tax is to be withheld by the organization conducting the game. The amount deducted shall be remitted to the Iowa department of revenue on behalf of the prize winner.

This rule is intended to implement Iowa Code sections 99B.7(1), 99B.21, 422.16 and 717D.2.

<sup>1</sup> See forms at end of this chapter.